



General Assembly

January Session, 2013

***Raised Bill No. 598***

LCO No. 1204

\*01204\_\_\_\_\_INS\*

Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

***AN ACT ELIMINATING THE REAL ESTATE CONVEYANCE TAX  
PAYABLE TO THE STATE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-494 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2013, and*  
3 *applicable to conveyances of real property occurring on or after said date*):

4 (a) There is imposed a tax on each deed, instrument or writing,  
5 whereby any lands, tenements or other realty is granted, assigned,  
6 transferred or otherwise conveyed to, or vested in, the purchaser, or  
7 any other person by such purchaser's direction, when the  
8 consideration for the interest or property conveyed equals or exceeds  
9 two thousand dollars, [(1) subject to the provisions of subsection (b) of  
10 this section, at the rate of three-quarters of one per cent of the  
11 consideration for the interest in real property conveyed by such deed,  
12 instrument or writing, the revenue from which shall be remitted by the  
13 town clerk of the municipality in which such tax is paid, not later than  
14 ten days following receipt thereof, to the Commissioner of Revenue

15 Services for deposit to the credit of the state General Fund, and (2)] at  
16 the rate of one-fourth of one per cent of the consideration for the  
17 interest in real property conveyed by such deed, instrument or writing,  
18 provided the amount imposed under this subdivision shall become  
19 part of the general revenue of the municipality in accordance with  
20 section 12-499, as amended by this act.

21 [(b) The rate of tax imposed under subdivision (1) of subsection (a)  
22 of this section shall, in lieu of the rate under said subdivision (1), be  
23 imposed on certain conveyances as follows: (1) In the case of any  
24 conveyance of real property which at the time of such conveyance is  
25 used for any purpose other than residential use, except unimproved  
26 land, the tax under said subdivision (1) shall be imposed at the rate of  
27 one and one-quarter per cent of the consideration for the interest in  
28 real property conveyed; (2) in the case of any conveyance in which the  
29 real property conveyed is a residential estate, including a primary  
30 dwelling and any auxiliary housing or structures, regardless of the  
31 number of deeds, instruments or writings used to convey such  
32 residential real estate, for which the consideration or aggregate  
33 consideration, as the case may be, in such conveyance is eight hundred  
34 thousand dollars or more, the tax under said subdivision (1) shall be  
35 imposed (A) at the rate of three-quarters of one per cent on that  
36 portion of such consideration up to and including the amount of eight  
37 hundred thousand dollars, and (B) at the rate of one and one-quarter  
38 per cent on that portion of such consideration in excess of eight  
39 hundred thousand dollars; and (3) in the case of any conveyance in  
40 which real property on which mortgage payments have been  
41 delinquent for not less than six months is conveyed to a financial  
42 institution or its subsidiary which holds such a delinquent mortgage  
43 on such property, the tax under said subdivision (1) shall be imposed  
44 at the rate of three-quarters of one per cent of the consideration for the  
45 interest in real property conveyed. For the purposes of subdivision (1)  
46 of this subsection, "unimproved land" includes land designated as  
47 farm, forest or open space land.]

48        [(c)] (b) In addition to the tax imposed under subsection (a) of this  
 49 section, any targeted investment community, as defined in section 32-  
 50 222, or any municipality in which properties designated as  
 51 manufacturing plants under section 32-75c are located, may, on or after  
 52 March 15, 2003, impose an additional tax on each deed, instrument or  
 53 writing, whereby any lands, tenements or other realty is granted,  
 54 assigned, transferred or otherwise conveyed to, or vested in, the  
 55 purchaser, or any other person by his direction, when the  
 56 consideration for the interest or property conveyed equals or exceeds  
 57 two thousand dollars, which additional tax shall be at a rate of up to  
 58 one-fourth of one per cent of the consideration for the interest in real  
 59 property conveyed by such deed, instrument or writing. The revenue  
 60 from such additional tax shall become part of the general revenue of  
 61 the municipality in accordance with section 12-499, as amended by this  
 62 act.

63        Sec. 2. Section 12-498 of the general statutes is repealed and the  
 64 following is substituted in lieu thereof (*Effective July 1, 2013, and*  
 65 *applicable to conveyances of real property occurring on or after said date*):

66        [(a)] The tax imposed by section 12-494, as amended by this act,  
 67 shall not apply to: (1) Deeds which this state is prohibited from taxing  
 68 under the Constitution or laws of the United States; (2) deeds which  
 69 secure a debt or other obligation; (3) deeds to which this state or any of  
 70 its political subdivisions or its or their respective agencies is a party; (4)  
 71 tax deeds; (5) deeds of release of property which is security for a debt  
 72 or other obligation; (6) deeds of partition; (7) deeds made pursuant to  
 73 mergers of corporations; (8) deeds made by a subsidiary corporation to  
 74 its parent corporation for no consideration other than the cancellation  
 75 or surrender of the subsidiary's stock; (9) deeds made pursuant to a  
 76 decree of the Superior Court under section 46b-81, 49-24 or 52-495; (10)  
 77 deeds, when the consideration for the interest or property conveyed is  
 78 less than two thousand dollars; (11) deeds between affiliated  
 79 corporations, provided both of such corporations are exempt from

80   taxation pursuant to paragraph (2), (3) or (25) of Section 501(c) of the  
81   Internal Revenue Code of 1986, or any subsequent corresponding  
82   internal revenue code of the United States, as from time to time  
83   amended; (12) deeds made by a corporation which is exempt from  
84   taxation pursuant to paragraph (3) of Section 501(c) of the Internal  
85   Revenue Code of 1986, or any subsequent corresponding internal  
86   revenue code of the United States, as from time to time amended, to  
87   any corporation which is exempt from taxation pursuant to said  
88   paragraph (3) of said Section 501(c); (13) deeds made to any nonprofit  
89   organization which is organized for the purpose of holding  
90   undeveloped land in trust for conservation or recreation purposes; (14)  
91   deeds between spouses; (15) deeds of property for the Adriaen's  
92   Landing site or the stadium facility site, for purposes of the overall  
93   project, each as defined in section 32-651; (16) land transfers made on  
94   or after July 1, 1998, to a water company, as defined in section 16-1,  
95   provided the land is classified as class I or class II land, as defined in  
96   section 25-37c, after such transfer; (17) transfers or conveyances to  
97   effectuate a mere change of identity or form of ownership or  
98   organization, where there is no change in beneficial ownership; (18)  
99   conveyances of residential property which occur not later than six  
100   months after the date on which the property was previously conveyed  
101   to the transferor if the transferor is (A) an employer which acquired the  
102   property from an employee pursuant to an employee relocation plan,  
103   or (B) an entity in the business of purchasing and selling residential  
104   property of employees who are being relocated pursuant to such a  
105   plan; (19) deeds in lieu of foreclosure that transfer the transferor's  
106   principal residence; and (20) any instrument transferring a transferor's  
107   principal residence where the gross purchase price is insufficient to  
108   pay the sum of (A) mortgages encumbering the property transferred,  
109   and (B) any real property taxes and municipal utility or other charges  
110   for which the municipality may place a lien on the property and which  
111   have priority over the mortgages encumbering the property  
112   transferred.

113 [(b) The tax imposed by subdivision (1) of section 12-494 shall not  
 114 apply to (1) deeds of the principal residence of any person approved  
 115 for assistance under section 12-129b or 12-170aa for the current  
 116 assessment year of the municipality in which such person resides or to  
 117 any such transfer which occurs within fifteen months of the  
 118 completion of any municipal assessment year for which such person  
 119 qualified for such assistance; (2) deeds of property located in an area  
 120 designated as an enterprise zone in accordance with section 32-70; (3)  
 121 deeds of property located in an entertainment district designated  
 122 under section 32-76 or established under section 2 of public act 93-311.]

123 Sec. 3. Section 12-499 of the general statutes is repealed and the  
 124 following is substituted in lieu thereof (*Effective July 1, 2013, and*  
 125 *applicable to conveyances of real property occurring on or after said date*):

126 The tax imposed by section 12-494, as amended by this act, and the  
 127 revenues produced thereby shall [, after remitting the portion thereof  
 128 payable to the Commissioner of Revenue Services as provided in said  
 129 section 12-494,] become part of the general revenue of the municipality  
 130 in which the tax is paid except that, in municipalities where the town  
 131 clerk is paid from fees, such town clerk shall retain one dollar of the  
 132 tax for each deed, instrument or writing recorded, the value of the  
 133 property or interest of which is two thousand dollars or more. Each  
 134 town clerk shall remit at least monthly all revenues due to the  
 135 municipality under this chapter.

136 Sec. 4. Section 32-650a of the general statutes is repealed and the  
 137 following is substituted in lieu thereof (*Effective July 1, 2013*):

138 The use of the term "Adriaen's Landing" in this chapter, subdivision  
 139 (1) of section 12-412 and [subsection (a) of] section 12-498, as amended  
 140 by this act, is for convenience and shall not be construed to require that  
 141 the improvements within the capital city economic development  
 142 district which are contemplated by this chapter, subdivision (1) of  
 143 section 12-412 and [subsection (a) of] section 12-498, as amended by

144 this act, bear that name.

145 Sec. 5. Subdivision (22) of section 32-651 of the general statutes is  
146 repealed and the following is substituted in lieu thereof (*Effective July*  
147 *1, 2013*):

148 (22) "Overall project" means the convention center project, the  
149 stadium facility project and the parking project, or one or more of the  
150 foregoing as more particularly described in the master development  
151 plan, including all related planning, feasibility, environmental testing  
152 and assessment, permitting, engineering, technical and other necessary  
153 development activities, including site acquisition, site preparation and  
154 infrastructure improvements. As used in sections 32-664, 32-665 and  
155 32-668, and subdivision (1) of section 12-412, [subsection (a) of] section  
156 12-498, as amended by this act, and subdivision (1) of section 22a-134,  
157 and section 32-617a, "overall project" also includes the development,  
158 design, construction, finishing, furnishing and equipping of the on-site  
159 related private development.

160 Sec. 6. Subsection (i) of section 32-656 of the general statutes is  
161 repealed and the following is substituted in lieu thereof (*Effective July*  
162 *1, 2013*):

163 (i) The secretary and the authority shall jointly select and appoint an  
164 independent construction contract compliance officer or agent, which  
165 may be an officer or agency of a political subdivision of the state, other  
166 than the authority, or a private consultant experienced in similar  
167 public contract compliance matters, to monitor compliance by the  
168 secretary, the authority, the project manager and each prime  
169 construction contractor with the provisions of applicable state law,  
170 including subdivision (1) of section 12-412, [subsection (a) of] section  
171 12-498, as amended by this act, sections 12-541 and 13a-25, subdivision  
172 (1) of section 22a-134, section 32-600, subsection (d) of section 32-602,  
173 subsection (d) of section 32-605, section 32-610, subsections (a) and (b)  
174 of section 32-614, sections 32-617, 32-617a, 32-650, 32-651 to 32-658,

175 inclusive, as amended by this act, 32-660 and 32-661, subsection (b) of  
 176 section 32-662, section 32-663, subsections (j) to (l), inclusive, of section  
 177 32-664, sections 32-665 to 32-666a, inclusive, sections 32-668 and 48-21  
 178 and sections 29 and 30 of public act 00-140, and with applicable  
 179 requirements of contracts with the secretary or the authority, relating  
 180 to set-asides for small contractors and minority business enterprises  
 181 and required efforts to hire available and qualified members of  
 182 minorities and available and qualified residents of the city of Hartford  
 183 and the town of East Hartford for construction jobs with respect to the  
 184 overall project and the on-site related private development. Such  
 185 independent contract compliance officer or agent shall file a written  
 186 report of his or her findings and recommendations with the secretary  
 187 and the authority each quarter during the period of project  
 188 development.

189 Sec. 7. Sections 3-114m, 12-494a, 12-502a and 12-502b of the general  
 190 statutes are repealed. (*Effective July 1, 2013*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013, and applicable to conveyances of real property occurring on or after said date</i>	12-494
Sec. 2	<i>July 1, 2013, and applicable to conveyances of real property occurring on or after said date</i>	12-498
Sec. 3	<i>July 1, 2013, and applicable to conveyances of real property occurring on or after said date</i>	12-499
Sec. 4	<i>July 1, 2013</i>	32-650a
Sec. 5	<i>July 1, 2013</i>	32-651(22)
Sec. 6	<i>July 1, 2013</i>	32-656(i)
Sec. 7	<i>July 1, 2013</i>	Repealer section

***Statement of Purpose:***

To eliminate the real estate conveyance tax payable to the state.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*